

DEPARTMENT OF STATE REVENUE

Revenue Ruling 98-11 ST

September 29, 1998

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superceded or deleted by publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE

Sales Tax Application to Home School Purchases

Authority: IC 6-2.5-2-1, IC 6-2.5-4-1, Information Bulletin #32

Taxpayer requests the Department to rule on whether home schools are eligible for sales tax exemptions.

STATEMENT OF FACTS

Taxpayer is a multi-level marketing company that sells products to individuals who are engaged in home schooling.

DISCUSSION

Pursuant to IC 6-2.5-2-1, a sales tax, known as state gross retail tax, is imposed on retail transactions made in Indiana. IC 6-2.5-4-1 provides that a retail transaction involves the transfer of tangible personal property.

Information Bulletin #32 provides that public school corporations must register with the Indiana Department of Revenue as not-for-profit organizations. Application for not-for-profit registration must be made on Form IT-35A, *Application to File as a Not-for Profit Organization*, and may be obtained by contacting the Indiana Department of Revenue, Compliance Division. The registration number assigned must be included on Form ST-105, *General Sales Tax Exemption Certificate*, submitted to a vendor to validate an exemption from sales tax collection on qualified purchases by the school corporation. The exemption number can only be used for the purpose of making exempt purchases, and may not be used as authority for making sales and collecting sales tax.

Home schools are not part of a public school corporation. Thus, purchases by home schools are subject to tax.

RULING

The Department rules that sales to home schools are subject to Indiana gross retail tax.

CAVEAT

This ruling is issued to the taxpayer requesting it on the assumption that the taxpayer's facts and circumstances, as stated herein, are correct. If the facts and circumstances given are not correct, or if they change, then the taxpayer requesting this ruling may not rely on it. However, other taxpayers with substantially identical factual situations may rely on this ruling for informational purposes in preparing returns and making tax decisions. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material respect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that subsequent to the publication of this ruling, a change in a statute, regulation, or case law could void the ruling. If this occurs, the ruling will not afford the taxpayer any protection.

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